



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

April 14, 2005

The Honorable Tom Horne
Superintendent of Public Instruction
Arizona Department of Education
Executive Officer
Arizona State Board of Education
1535 West Jefferson Street
Phoenix, AZ 85007

**Subject: Sterling Academy of Mathematics and Science
DBA Bright Ideas Charter School**

Dear Mr. Horne:

We issued a compliance review report July 12, 2004, informing Sterling Academy of Mathematics and Science d.b.a. Bright Ideas Charter School that it had not complied with the *Uniform System of Financial Records for Arizona Charter Schools* (USFRCS). Recommendations to correct the deficiencies were described in our report. The School was given 90 days to implement the recommendations in our report.

We subsequently performed a status review of the School's internal controls as of December 9, 2004. The purpose of our status review was to determine whether the School was in substantial compliance with the USFRCS as of the date of our review. Our review consisted primarily of inquiries and selective testing of accounting records and control procedures. The review was more limited in scope than would be necessary to express an opinion on the School's internal controls. Accordingly, we do not express an opinion on its internal controls or ensure that all deficiencies were disclosed.

Also, subsequent to our status review, we received and reviewed the School's audit reports and USFRCS Compliance Questionnaire for the year ended June 30, 2003.

Based on the number and nature of the deficiencies noted in our status review and our review of the 2003 audit reports and compliance questionnaire, we determined that Sterling Academy of Mathematics and Science d.b.a. Bright Ideas Charter School still has not complied with the USFRCS. Further, as of the date of this letter, we have not received the School's audit reports or USFRCS Compliance Questionnaire for the year ended June 30, 2004. These reports were due by March 31, 2005. Consequently, the School is also in noncompliance with the USFRCS for nonsubmission of that year's reports. Therefore, we request that the Arizona State Board of Education take appropriate action

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as prescribed by Arizona Revised Statutes §15-272. The School's deficiencies and our recommendations are described in the enclosed status review report issued April 11, 2005, notifying the School of its continued noncompliance.

If you have questions concerning this matter, please call Magdalene Haggerty, Accounting Services Director, or me at (602) 553-0333.

Sincerely,

Debra K. Davenport
Auditor General

DKD/MH/js

Enclosure

cc/enc: Board of Directors

Beth Brantley, Director

Sterling Academy of Mathematics and Science

DBA Bright Ideas Charter School

Governing Board

Peach Springs Unified School District No. 8

Vince Yanez, Executive Director

Arizona State Board of Education

Vicki G. Salazar, Associate Superintendent of Financial Services

Arizona Department of Education